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FM AMEMBASSY BRIDGETOWN
TO RUEHC/SECSTATE WASHDC PRIORITY 2949
INFO RUCNCOM/EC CARICOM COLLECTIVE
RUMIAAA/HQ USSOUTHCOM J2 MIAMI FL
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RUEHCV/USDAO CARACAS VE

C O N F I D E N T I A L BRIDGETOWN 001255

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E.O. 12958: DECL: 07/17/2016
TAGS: [PGOV](#) [PINR](#) [PREL](#) [KCRM](#) [GJ](#) [XL](#)
SUBJECT: GRENADA PRIME MINISTERIAL CORRUPTION INQUIRY
STALLED

REF: BRIDGETOWN 429

Classified By: Poloff Michael Kelleher for reasons 1.4 (b) and (d).

1. (C) Summary: The investigation into allegations of corruption against Grenada Prime Minister Keith Mitchell is stalled and may die quietly. The Commission of Inquiry, which was charged with investigating a claim that Mitchell accepted a suitcase containing US\$500,000 in exchange for granting diplomatic status to an unsavory international businessman, has moved slowly and is now delayed indefinitely because of legal wrangling. When, or even if, the investigation will move forward remains uncertain, particularly after both the PM and his top legal advisor publicly declared the ostensibly independent inquiry to be dead. The one certainty appears to be that the Government had no plan to conduct a serious investigation and hopes that the matter will fade away before Grenada's next election. End summary.

Investigation Stalled

2. (U) The Commission of Inquiry investigating allegations of corruption against Grenada PM Keith Mitchell has stalled and may be delayed indefinitely. Since the Commission was formed in August 2004, it has sat for only several days in June 2005 to hear testimony from a handful of witnesses involved with the PM's trip abroad in 2000 when he allegedly accepted a bribe of US\$500,000 to name businessman Eric Resteiner a Grenada diplomat. (Note: Based upon information provided by LEGATT Bridgetown, Post reported previously that Mitchell is accused of taking US\$50,000 from Resteiner (reftel). The Grenadian investigation, however, is looking into charges that the PM accepted US\$500,000. End note.)

3. (U) The Commission has been inactive since June 2005, in part because of a legal challenge brought by the leader of Grenada's opposition National Democratic Congress (NDC), Tillman Thomas, who petitioned to take part in the investigation. The petition was rejected by Richard Cheltenham, sole member of the Commission of Inquiry. The opposition leader successfully appealed this decision in court but the Government has filed a subsequent appeal, leaving the matter in limbo until a judgment is handed down.

Inquiry Has Done Little Inquiring

4. (U) Even without the legal delay, it appeared to observers

that the Commission of Inquiry failed to aggressively pursue the matter against PM Mitchell. The Commission has interviewed several civil servants who organized or participated in the PM's 2000 trip to Switzerland where he allegedly accepted the money from Resteiner. It has not interviewed journalist David Marchant, who first published the allegations against the PM on his website Offshore Alert, nor has it obtained testimony from Eric Resteiner.

No Effort to Contact the Key Figure

15. (C) The Government of Grenada (GOG) has made no effort to seek testimony from Eric Resteiner, the individual who allegedly bribed PM Mitchell, according to the Richard Cheltenham, the Barbados attorney who is the sole member of the Commission of Inquiry. Cheltenham explained to Poloff that he recommended to Minister of Foreign Affairs Elvin Nimrod that the GOG ask the USG for assistance in obtaining a statement from Resteiner, who is presently in Federal prison after pleading guilty to multiple charges of fraud (reftel). Resteiner had reportedly offered to provide to the USG evidence against Mitchell, including a videotape showing the PM accepting the bribe, in exchange for a lighter sentence. After Federal officials declined the offer, Resteiner had no reason to cooperate with the GOG. Cheltenham said he advised the Foreign Minister that requesting USG assistance was only a symbolic gesture but could at least give the appearance that the GOG was attempting to get to the bottom of the matter.

Commissioner's Contradictory Conclusions

16. (C) The Commission of Inquiry should have concluded its work "long ago," according to attorney Cheltenham, who offered Poloff contradictory assessments of the situation in Grenada. The Commissioner, whose independence has been questioned by observers, said he believes there is no truth to the charges against the PM, but also complained at length about the "network of rascality" in the Eastern Caribbean through which shady business figures buy influence and diplomatic status. "Any self-respecting government does not allow its PM to go on a trip financed by a private individual," said Cheltenham. The lawyer argued that the Commission of Inquiry could have proved useful by laying down guidelines to govern the manner in which the GOG accepts money from outside figures as in the case of Resteiner, who PM Mitchell contends, and Cheltenham said he believes, provided US\$15,000 to fund a Government trade mission.

17. (C) The Commission of Inquiry may never complete its work, in Cheltenham's opinion. In any event, its independence will be doubted as a result of statements by PM Mitchell and his top legal advisor, Hugh Wildman, both of whom publicly declared the inquiry to be over. Cheltenham is highly critical of Wildman, who has proven aptly named through his regular, inappropriate public utterances such as when he recently called the Commission of Inquiry "an exercise in futility." The Barbados lawyer believes it was Wildman who advised the GOG against requesting assistance from the USG to obtain a statement from Resteiner.

Much Ado About Nothing

18. (C) The charges against PM Mitchell are "much ado about nothing," in the opinion of GOG legal advisor Hugh Wildman. To date, the Commission of Inquiry has uncovered no evidence of any wrongdoing and found simply that the PM was reimbursed for personal expenses incurred during an official trade mission. Grenada, which has limited resources, needs to take advantage of international business figures such as Eric Resteiner who have connections to possible investors, explained Wildman, who complained to Poloff that the

corruption charges are an attempt by the opposition to discredit the PM.

¶9. (U) Note: Jamaican-born Hugh Wildman has been a controversial figure in Grenada since his arrival in 1998, when he came to work as Director of Public Prosecutions. PM Keith Mitchell sought to name Wildman Attorney General in 2005, but the appointment was successfully blocked by the opposition-dominated Grenada Bar Association, which argued Wildman's intemperate nature made him a poor choice for the job. The PM went around this obstruction by appointing Wildman to the newly created position of Special Legal Advisor to the Government although observers believe he is the de facto Attorney General. End note.

Will USG Provide the Videotape?

¶10. (C) The political opposition remains hopeful that the Government will lose its current legal appeal and NDC leader Tillman Thomas will be allowed on the Commission of Inquiry. Opposition Parliamentarian Peter David said that Grenada's Governor General, who formally established the Commission, had given David his personal assurance that the investigation would get moving again. Such an outcome would be more likely if the USG could assist the Commission in acquiring a copy of the videotape that reportedly shows Keith Mitchell taking the bribe from Eric Resteiner, David explained to Poloff.

Comment

¶11. (C) The opposition's optimism is curious considering that the Commission of Inquiry has accomplished virtually nothing during two years of existence, supporting the view that the Government had no intention of permitting a thorough, independent investigation. How the Commission can justify its failure to contact Eric Resteiner or question the PM is hard to fathom. Unfortunately, the opposition has made matters worse through its legal action that has caused an interminable delay that, the longer it continues, could see the Commission quietly disappear. PM Keith Mitchell

doubtless hopes that public memory of the formal inquiry will fade before Grenada's next election, which is due by 2008. The "briefcase incident" and other allegations of malfeasance involving the PM and members of his Government will insure, however, that corruption will be one of the key issues for voters.
KRAMER